

the condition of education 2006



INDICATOR 22

Annual Earnings of Young Adults

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Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2006*, visit the NCES website (<http://nces.ed.gov/pubsearch/pubsinfo.sap?pubid=2006071>) or contact ED PUBs at 1-877-4ED-PUBS.

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Economic Outcomes

Annual Earnings of Young Adults

Adults ages 25–34 with a bachelor's degree or higher have higher median earnings than their peers with less education, and these differences in earnings increased from 1980 to 2004.

This indicator examines the relationship between education and median annual earnings, in constant 2004 dollars, for all young adults—ages 25–34—who work full time throughout a full year.

Between 1980 and 2004, earnings increased with education for the total population as well as for male, female, White, Black, and Hispanic populations. For example, young adults with at least a bachelor's degree consistently had higher median earnings than those with less education (see supplemental table 22-1). Moreover, for the entire population and, in general, for each subgroup, the difference between the earnings of those with at least a bachelor's degree and their peers with less education grew during this period. For example, in 1980 males with a bachelor's or higher degree earned 19 percent more than male high school completers,¹ while in 2004 they earned 67 percent more (see supplemental table 22-2).

This growth in the difference between the median earnings of those with at least a bachelor's degree and their peers with less education can be attributed in large part to the fact that, during this period, earnings increased among those with at least a bachelor's degree, while they

decreased among those with less education. For example, the earnings of those with less than a high school diploma decreased \$5,200 during this period, while the earnings of those with a bachelor's or higher degree increased \$2,700 (see supplemental table 22-1). The growth in the difference in earnings existed among both sexes and Whites: earnings increased only for those with a bachelor's or higher degree.

Examining education and earnings by race/ethnicity reveals that at each level of educational attainment, White young adults have higher earnings than their Black and Hispanic peers (see supplemental table 22-3). During this period, there were no measurable changes in the gaps between Whites and Blacks and between Whites and Hispanics at any level of educational attainment.

Males have higher median earnings than females at each level of educational attainment. However, the gaps between the sexes at each level of educational attainment decreased from 1980 to 2004. For example, males with a bachelor's degree or higher earned 36 percent more than their female counterparts in 1980 compared with 26 percent more in 2004.

¹ Includes those who earned a high school diploma or equivalent (e.g., a General Educational Development [GED] certificate).

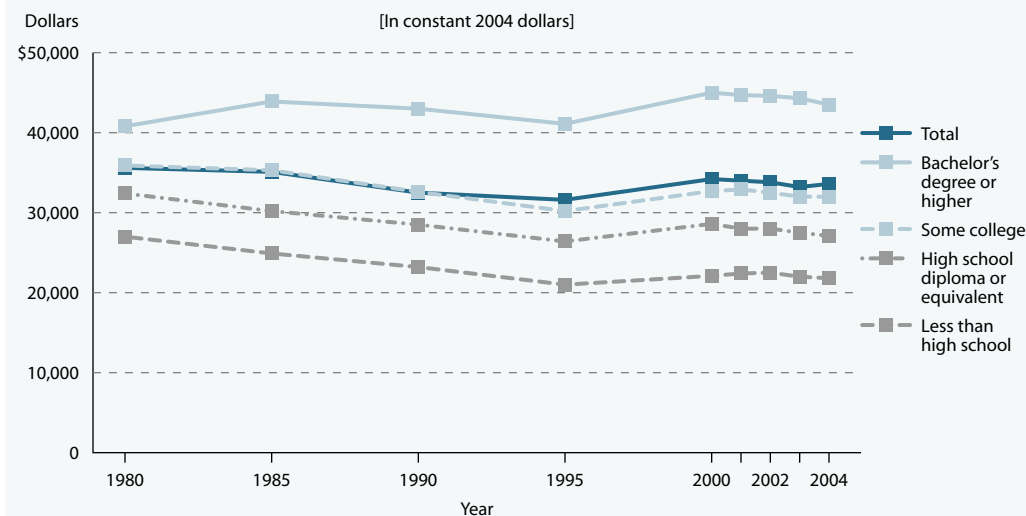
NOTE: Earnings presented in constant dollars by means of the Consumer Price Index (CPI) to eliminate inflationary factors and allow direct comparison across years. See supplemental note 11 for further discussion. "Full-year worker" indicates worked 50 or more weeks the previous year, and "full-time worker" indicates usually worked 35 or more hours per week. The Current Population Survey (CPS) questions used to obtain educational attainment were changed in 1992. In 1994, the survey methodology for the CPS was changed and weights were adjusted. See supplemental note 2 for further discussion.

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).

FOR MORE INFORMATION:
Supplemental Notes 1, 2, 11
Supplemental Tables 22-1,
22-2, 22-3



ANNUAL EARNINGS: Median annual earnings of full-time, full-year wage and salary workers ages 25–34, by educational attainment: Selected years, 1980–2004



Annual Earnings of Young Adults

Table 22-1. Median annual earnings of all full-time, full-year wage and salary workers ages 25–34, by sex, race/ethnicity, and educational attainment: Selected years, 1980–2004

[In constant 2004 dollars]									
Sex, race/ethnicity, ¹ and educational attainment	1980	1985	1990	1995	2000	2001	2002	2003	2004
Total	\$35,600	\$35,100	\$32,500	\$31,600	\$34,200	\$34,000	\$33,800	\$33,200	\$33,600
Educational attainment									
Less than high school	27,000	24,900	23,200	21,000	22,100	22,400	22,500	22,000	21,800
High school diploma or equivalent	32,400	30,200	28,500	26,400	28,600	28,000	28,000	27,500	27,100
Some college	35,900	35,300	32,600	30,200	32,700	32,900	32,500	32,000	32,000
Bachelor's degree or higher	40,800	43,900	43,000	41,100	45,000	44,700	44,600	44,300	43,500
Sex									
Male									
Total	40,600	39,100	36,700	34,200	37,800	37,600	37,300	36,600	36,300
Educational attainment									
Less than high school	30,700	27,500	25,200	24,100	23,200	23,800	24,000	23,100	23,600
High school diploma or equivalent	38,800	35,200	32,000	29,700	32,300	31,400	31,100	31,000	30,400
Some college	40,800	39,800	37,600	33,000	38,000	37,400	37,300	36,100	36,400
Bachelor's degree or higher	46,300	48,200	46,000	46,400	50,900	51,200	51,400	49,600	50,700
Female									
Total	27,600	29,100	28,900	27,500	30,100	31,200	31,600	31,500	31,000
Educational attainment									
Less than high school	19,900	19,600	18,200	17,100	18,500	17,900	18,000	19,900	18,700
High school diploma or equivalent	25,500	25,000	23,700	21,800	23,500	24,200	24,600	24,400	24,000
Some college	27,800	28,900	29,000	26,700	27,800	28,100	28,200	28,000	28,800
Bachelor's degree or higher	34,100	36,900	38,800	37,300	39,900	40,200	42,000	41,300	40,300
Race/ethnicity									
White									
Total	36,700	36,600	34,600	33,000	35,600	36,800	37,100	36,400	36,700
Educational attainment									
Less than high school	29,100	27,400	24,700	22,700	23,200	23,800	24,700	23,800	25,700
High school diploma or equivalent	33,700	31,700	29,900	27,700	30,200	29,700	29,800	29,900	30,600
Some college	36,700	36,700	34,300	31,400	33,900	33,900	33,600	32,700	34,100
Bachelor's degree or higher	41,400	44,600	43,600	43,000	45,100	45,000	45,100	44,600	44,600
Black									
Total	28,200	27,100	26,300	26,400	28,500	28,900	29,200	29,400	27,600
Educational attainment									
Less than high school	20,600	18,600	18,500	18,000	20,900	21,900	20,900	18,400	19,900
High school diploma or equivalent	27,100	25,300	23,600	22,400	23,500	24,700	25,900	26,200	24,100
Some college	29,700	27,300	28,700	27,800	28,900	28,900	29,400	28,000	29,600
Bachelor's degree or higher	35,900	36,500	38,000	34,600	38,800	39,500	40,100	42,000	39,200
Hispanic									
Total	30,800	29,400	27,000	25,500	28,000	27,300	27,800	27,200	26,600
Educational attainment									
Less than high school	27,300	23,200	21,400	19,800	20,500	21,700	21,500	21,700	20,800
High school diploma or equivalent	28,000	27,200	24,900	23,600	25,600	25,200	26,300	24,700	24,000
Some college	34,900	33,400	30,500	26,000	30,600	30,700	30,400	31,400	31,200
Bachelor's degree or higher	38,100	42,300	39,600	38,300	41,600	39,600	42,600	38,700	40,100

¹ Black includes African American and Hispanic includes Latino. Race categories exclude Hispanic origin unless specified.

NOTE: Earnings presented in constant dollars by means of the Consumer Price Index (CPI) to eliminate inflationary factors and allow direct comparison across years. See *supplemental note 11* for further discussion. "Full-year worker" indicates worked 50 or more weeks the previous year, and "full-time worker" indicates usually worked 35 or more hours per week. The Current Population Survey (CPS) questions used to obtain educational attainment were changed in 1992. In 1994, the survey methodology for the CPS was changed and weights were adjusted. See *supplemental note 2* for further discussion.

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).

Annual Earnings of Young Adults

Table 22-2. Ratio of median annual earnings of all full-time, full-year wage and salary workers ages 25–34 whose highest level of educational attainment was less than high school, some college, or a bachelor's degree or higher, compared with those with a high school diploma or equivalent, by sex and race/ethnicity: Selected years, 1980–2004

Sex, race/ethnicity, ¹ and educational attainment	1980	1985	1990	1995	2000	2001	2002	2003	2004
Total population									
Total	1.10	1.16	1.14	1.20	1.19	1.21	1.20	1.21	1.24
Sex									
Male	1.05	1.11	1.15	1.15	1.17	1.20	1.20	1.18	1.20
Female	1.08	1.16	1.22	1.27	1.28	1.29	1.28	1.29	1.29
Race/ethnicity									
White	1.09	1.15	1.16	1.19	1.18	1.24	1.24	1.22	1.20
Black	1.04	1.07	1.12	1.18	1.21	1.17	1.13	1.12	1.15
Hispanic	1.10	1.08	1.08	1.08	1.09	1.08	1.06	1.10	1.11
Less than high school									
Total	0.83	0.82	0.81	0.80	0.77	0.80	0.80	0.80	0.80
Sex									
Male	0.79	0.78	0.79	0.81	0.72	0.76	0.77	0.75	0.78
Female	0.78	0.78	0.77	0.78	0.79	0.74	0.73	0.81	0.78
Race/ethnicity									
White	0.86	0.87	0.83	0.82	0.77	0.80	0.83	0.80	0.84
Black	0.76	0.74	0.78	0.80	0.89	0.89	0.81	0.70	0.82
Hispanic	0.97	0.85	0.86	0.84	0.80	0.86	0.82	0.88	0.87
Some college									
Total	1.11	1.17	1.14	1.14	1.14	1.18	1.16	1.16	1.18
Sex									
Male	1.05	1.13	1.18	1.11	1.18	1.19	1.20	1.16	1.20
Female	1.09	1.16	1.23	1.23	1.19	1.16	1.14	1.15	1.20
Race/ethnicity									
White	1.09	1.16	1.15	1.14	1.12	1.14	1.13	1.10	1.11
Black	1.10	1.08	1.21	1.24	1.23	1.17	1.14	1.07	1.23
Hispanic	1.25	1.23	1.22	1.10	1.20	1.22	1.15	1.28	1.30
Bachelor's degree or higher									
Total	1.26	1.45	1.51	1.55	1.57	1.60	1.59	1.61	1.60
Sex									
Male	1.19	1.37	1.44	1.56	1.58	1.63	1.65	1.60	1.67
Female	1.34	1.47	1.64	1.71	1.70	1.66	1.71	1.69	1.68
Race/ethnicity									
White	1.23	1.41	1.46	1.55	1.49	1.52	1.51	1.49	1.46
Black	1.32	1.45	1.61	1.55	1.65	1.60	1.55	1.61	1.63
Hispanic	1.36	1.55	1.59	1.62	1.63	1.57	1.62	1.57	1.67

¹ Black includes African American and Hispanic includes Latino. Race categories exclude Hispanic origin unless specified.

NOTE: This ratio is most useful when compared with 1.0. For example, the ratio of 1.46 for Whites in 2004 whose highest level of education is a bachelor's degree or higher indicates that they earned 46 percent more than Whites who had a high school diploma or equivalent. The ratio of 0.78 for females in 2004 whose highest education level was less than high school indicates that they earned 22 percent less than females who had a high school diploma or equivalent. "Full-year worker" indicates worked 50 or more weeks the previous year, and "full-time worker" indicates usually worked 35 or more hours per week. The Current Population Survey (CPS) questions used to obtain educational attainment were changed in 1992. In 1994, the survey methodology for the CPS was changed and weights were adjusted. See *supplemental note 2* for further discussion.

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).

Annual Earnings of Young Adults

Table 22-3. Ratio of median annual earnings of male to female, White to Black, and White to Hispanic full-time, full-year wage and salary workers ages 25–34, by educational attainment: Selected years, 1980–2004

Earnings ratio and educational attainment	1980	1985	1990	1995	2000	2001	2002	2003	2004
Ratio of male to female									
Total population	1.47	1.35	1.27	1.24	1.26	1.20	1.18	1.16	1.17
Educational attainment									
Less than high school	1.54	1.40	1.39	1.41	1.25	1.33	1.34	1.16	1.26
High school diploma or equivalent	1.52	1.41	1.35	1.37	1.38	1.30	1.26	1.27	1.27
Some college	1.47	1.38	1.30	1.23	1.37	1.33	1.33	1.29	1.27
Bachelor's degree or higher	1.36	1.31	1.19	1.24	1.28	1.27	1.22	1.20	1.26
Ratio of White to Black¹									
Total population	1.30	1.35	1.31	1.25	1.25	1.27	1.27	1.24	1.33
Educational attainment									
Less than high school	1.41	1.48	1.34	1.27	1.11	1.09	1.18	1.29	1.29
High school diploma or equivalent	1.24	1.26	1.26	1.24	1.29	1.20	1.15	1.14	1.27
Some college	1.24	1.35	1.19	1.13	1.17	1.18	1.14	1.17	1.15
Bachelor's degree or higher	1.16	1.22	1.15	1.24	1.16	1.14	1.13	1.06	1.14
Ratio of White to Hispanic¹									
Total population	1.19	1.24	1.28	1.30	1.27	1.35	1.33	1.34	1.38
Educational attainment									
Less than high school	1.07	1.18	1.15	1.15	1.13	1.10	1.15	1.10	1.24
High school diploma or equivalent	1.20	1.16	1.20	1.17	1.18	1.18	1.13	1.21	1.28
Some college	1.05	1.10	1.12	1.21	1.11	1.10	1.11	1.04	1.09
Bachelor's degree or higher	1.09	1.05	1.10	1.12	1.08	1.14	1.06	1.15	1.11

¹ Black includes African American and Hispanic includes Latino. Race categories exclude Hispanic origin unless specified.

NOTE: This ratio is most useful when compared with 1.0. For example, the ratio of 1.33 for the total population of Whites to Blacks in 2004 indicates that White young adults earned 33 percent more than Black young adults, on average. "Full-year worker" indicates worked 50 or more weeks the previous year, and "full-time worker" indicates usually worked 35 or more hours per week. The Current Population Survey (CPS) questions used to obtain educational attainment were changed in 1992. In 1994, the survey methodology for the CPS was changed and weights were adjusted. See *supplemental note 2* for further discussion.

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).

Annual Earnings of Young Adults

Table S22. Standard errors for the median annual earnings of full-time, full-year wage and salary workers ages 25–34, by educational attainment: Selected years, 1980–2004

[In constant 2004 dollars]									
Educational attainment	1980	1985	1990	1995	2000	2001	2002	2003	2004
Total	\$220	\$240	\$240	\$180	\$160	\$150	\$150	\$140	\$150
Less than high school	670	950	490	400	490	420	420	410	360
High school diploma or equivalent	410	280	310	260	280	250	240	240	230
Some college	430	440	450	450	420	250	250	230	230
Bachelor's degree or higher	560	510	500	730	360	320	650	790	980

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).

Annual Earnings of Young Adults

Table S22-1. Standard errors for the median annual earnings of all full-time, full-year wage and salary workers ages 25–34, by sex, race/ethnicity, and educational attainment: Selected years, 1980–2004

[In constant 2004 dollars]									
Sex, race/ethnicity, and educational attainment	1980	1985	1990	1995	2000	2001	2002	2003	2004
Total	\$220	\$240	\$240	\$180	\$160	\$150	\$150	\$140	\$150
Educational attainment									
Less than high school	670	950	490	400	490	420	420	410	360
High school diploma or equivalent	410	280	310	260	280	250	240	240	230
Some college	430	440	450	450	420	250	250	230	230
Bachelor's degree or higher	560	510	500	730	360	320	650	790	980
Sex									
Male									
Total	360	270	240	350	600	270	250	270	240
Educational attainment									
Less than high school	1,210	790	730	890	470	590	890	780	900
High school diploma or equivalent	400	450	330	510	660	710	630	470	300
Some college	660	740	480	410	820	670	410	690	410
Bachelor's degree or higher	610	740	490	750	690	1,110	1,330	1,460	1,250
Female									
Total	200	250	280	230	280	470	280	210	200
Educational attainment									
Less than high school	940	830	870	790	900	740	890	940	770
High school diploma or equivalent	290	410	290	380	410	470	590	510	740
Some college	360	430	440	310	340	360	350	380	850
Bachelor's degree or higher	570	430	470	550	400	630	510	520	310
Race/ethnicity									
White									
Total	240	230	320	200	360	480	240	220	220
Educational attainment									
Less than high school	1,150	810	580	1,060	580	1,060	1,080	950	720
High school diploma or equivalent	450	430	300	320	510	610	570	810	340
Some college	470	420	640	340	340	300	310	290	930
Bachelor's degree or higher	590	410	430	770	390	450	890	970	840
Black									
Total	460	480	660	450	410	370	790	1,050	610
Educational attainment									
Less than high school	1,370	1,200	960	1,350	1,430	1,030	1,710	1,120	850
High school diploma or equivalent	680	660	450	720	470	980	830	490	1,090
Some college	1,250	830	870	770	600	590	1,100	720	930
Bachelor's degree or higher	1,410	1,140	810	1,160	1,800	1,410	1,200	590	1,470
Hispanic									
Total	1,100	680	730	490	500	440	350	390	410
Educational attainment									
Less than high school	2,110	1,900	1,820	860	910	610	570	490	500
High school diploma or equivalent	1,100	950	990	970	1,140	760	800	850	1,090
Some college	2,180	2,480	1,140	870	1,170	1,360	930	590	750
Bachelor's degree or higher	3,010	2,700	1,970	1,440	2,230	2,010	1,590	1,920	1,640

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).

Annual Earnings of Young Adults

Table S22-2. Standard errors for the ratio of median annual earnings of all full-time, full-year wage and salary workers ages 25–34 whose highest level of educational attainment was less than high school, some college, or a bachelor's degree or higher, compared with those with a high school diploma or equivalent, by sex and race/ethnicity: Selected years, 1980–2004

Sex, race/ethnicity, and educational attainment	1980	1985	1990	1995	2000	2001	2002	2003	2004
Total population									
Total	0.015	0.014	0.015	0.013	0.013	0.012	0.012	0.012	0.012
Sex									
Male	0.014	0.016	0.014	0.023	0.030	0.029	0.025	0.020	0.014
Female	0.015	0.022	0.019	0.025	0.025	0.032	0.033	0.028	0.041
Race/ethnicity									
White	0.016	0.017	0.016	0.016	0.023	0.030	0.025	0.034	0.015
Black	0.031	1.075	0.035	0.043	0.030	0.048	0.048	0.045	0.058
Hispanic	0.058	0.045	0.052	0.049	0.052	0.037	0.035	0.041	0.053
Less than high school									
Total	0.023	0.032	0.019	0.017	0.019	0.016	0.016	0.016	0.015
Sex									
Male	0.032	0.025	0.024	0.033	0.021	0.026	0.033	0.028	0.031
Female	0.038	0.036	0.038	0.039	0.041	0.034	0.040	0.042	0.040
Race/ethnicity									
White	0.036	0.028	0.021	0.039	0.769	0.039	0.040	0.038	0.025
Black	0.054	0.051	0.043	0.065	0.063	0.054	0.071	0.045	0.051
Hispanic	0.084	0.076	0.081	0.050	0.050	0.036	0.033	0.036	0.045
Some college									
Total	0.019	0.018	0.020	0.020	0.019	0.014	0.013	0.013	0.013
Sex									
Male	0.020	0.025	0.019	0.024	0.035	0.035	0.027	0.028	0.018
Female	0.019	0.026	0.024	0.026	0.025	0.027	0.031	0.029	0.051
Race/ethnicity									
White	0.020	0.021	0.024	0.018	0.022	0.026	0.022	0.031	0.033
Black	0.054	0.043	0.043	0.053	0.035	0.052	0.056	0.034	0.068
Hispanic	0.092	0.100	0.066	0.058	0.070	0.066	0.050	0.050	0.067
Bachelor's degree or higher									
Total	0.023	0.022	0.024	0.032	0.020	0.018	0.027	0.032	0.039
Sex									
Male	0.020	0.027	0.021	0.037	0.039	0.051	0.054	0.053	0.044
Female	0.027	0.030	0.028	0.039	0.034	0.042	0.046	0.041	0.054
Race/ethnicity									
White	0.024	0.023	0.020	0.033	0.028	0.035	0.042	0.052	0.032
Black	0.062	0.059	0.046	0.072	0.083	0.085	0.068	0.037	0.096
Hispanic	0.120	0.113	0.101	0.090	0.113	0.093	0.078	0.095	0.102

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).

Annual Earnings of Young Adults

Table S22-3. Standard errors for the ratio of median annual earnings of male to female, White to Black, and White to Hispanic full-time, full-year wage and salary workers ages 25–34, by educational attainment: Selected years, 1980–2004

Earnings ratio and educational attainment	1980	1985	1990	1995	2000	2001	2002	2003	2004
Ratio of male to female									
Total population	0.017	0.015	0.015	0.016	0.023	0.020	0.013	0.011	0.011
Educational attainment									
Less than high school	0.095	0.072	0.077	0.084	0.066	0.064	0.083	0.068	0.071
High school diploma or equivalent	0.023	0.029	0.022	0.034	0.037	0.039	0.040	0.032	0.041
Some college	0.031	0.033	0.026	0.021	0.034	0.029	0.022	0.030	0.040
Bachelor's degree or higher	0.029	0.025	0.019	0.027	0.021	0.034	0.035	0.039	0.033
Ratio of White to Black									
Total population	0.023	0.025	0.035	0.022	0.022	0.023	0.035	0.045	0.031
Educational attainment									
Less than high school	0.109	0.105	0.076	0.112	0.081	0.071	0.110	0.094	0.066
High school diploma or equivalent	0.035	0.037	0.027	0.042	0.033	0.053	0.043	0.038	0.059
Some college	0.054	0.044	0.042	0.034	0.027	0.026	0.044	0.032	0.048
Bachelor's degree or higher	0.048	0.040	0.027	0.047	0.055	0.042	0.040	0.027	0.048
Ratio of White to Hispanic									
Total population	0.043	0.030	0.037	0.026	0.026	0.028	0.019	0.021	0.023
Educational attainment									
Less than high school	0.093	0.103	0.102	0.073	0.058	0.058	0.059	0.050	0.046
High school diploma or equivalent	0.050	0.044	0.049	0.050	0.056	0.043	0.041	0.053	0.060
Some college	0.067	0.082	0.047	0.042	0.044	0.041	0.035	0.022	0.040
Bachelor's degree or higher	0.087	0.068	0.056	0.047	0.059	0.059	0.045	0.063	0.050

SOURCE: U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), March and Annual Social and Economic Supplement, selected years, 1981–2005, previously unpublished tabulation (September 2005).